



COMMITTEE ON
**EDUCATION
& LABOR**
REPUBLICANS

VOTE NO
H.R. 7780

BACKGROUND:

Prolonged school closures, which have been supported by Democrats and their teachers union allies, had devastating consequences on America's students. Not surprisingly, the Majority refuses to address their own policy failures that led to this national catastrophe.

School closures were particularly damaging for young Americans who reported **increased levels of anxiety, sadness, and loneliness in 2021**. The Centers for Disease Control and Prevention also noted students who experienced long-term isolation from school experienced **acutely higher feelings of hopelessness and higher rates of attempted suicide**.

Mental health is a serious issue and one this Congress addressed this summer. But Democrats are using this mental health crisis to gain political points and distract from other Democrat-created disasters. What's worse, Democrats are cramming in two ill-conceived measures that **harm our workforce and punish employers for offering mental health benefits** to their employees.

H.R. 7780 FAILINGS:

Since H.R. 7780 was passed in Committee, **Congress passed ANOTHER bill** funding two of the same programs included in H.R. 7780.

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Democrats want to give the Department of Labor (DOL) an additional \$275 million to fund its witch hunt against employers without vetting how the money will be spent. This flawed bill also grants DOL the authority to assess civil monetary penalties against employers for violating vague and subjective mental health parity violations. Further, H.R. 7780 **expands DOL's ability to sue plans and employers** for mental health parity violations.

H.R. 7780 prohibits arbitration clauses, class action waivers, and discretionary clauses in employee benefit plans under the *Employee Retirement Income Security Act of 1974*, which would **incite a litigation bonanza** against plan sponsors, significantly increase the costs of plan administration, and delay participant access to a timely resolution of disputes. This bill will only benefit trial lawyers who would reap generous attorneys' fees, while plan participants wait years on the court process.

At best, employer sponsors will divert cash to pay plaintiffs' attorneys rather than providing benefits to employees. At worst, plan sponsors will reduce or eliminate benefits. Either way, **mental health benefits and retirement savings will be negatively impacted—at a time when Biden's inflation is eating both wages and savings.**

Democrats also continue their blatant favoritism for Big Labor by exempting unions from certain damaging provisions in H.R. 7780. Union-run multiemployer benefit plans are exempted from the bill's prohibition on discretionary clauses. Arbitration provisions that are the product of collective bargaining with a union are also exempted from the bill's prohibitions.